

## **Minutes**

### **LBNL Contract Assurance Council Meeting November 9, 2005**

#### **Participants**

##### **Council Members:**

Bob Foley, Chair  
Jim Holst  
Larry Coleman  
Anne Broome  
Pat Reed  
Cliff Brunk  
Bob Van Ness  
John Birely  
Judy Boyette  
Buck Koonce  
John Layton  
Karen Clegg

##### **Others:**

David McGraw  
Jim Krupnick  
John Chernowski  
Jeffrey Fernandez  
Merna Hurd  
Ron Nelson  
Susan Thomas  
Bill Eklund

The Agenda for the Council Meeting is attached.

#### **Contract Performance Self Assessment**

The Council was provided an overview by Buck Koonce of the briefing he provided to DOE on November 7, 2005, of the University's self-assessment of contract performance relative to objectives and measures under Appendices F and B. (Briefing attached.) The briefing covered Administration and Operations performance and UC's self-assessment in the functional areas making up A&O performance ranged from excellent to outstanding. The DOE Site Manager has expressed the need for management attention to enhance performance results in ES&H and procurement, and in general was interested in further discussions concerning whether or not the performance goals as currently written created a strong enough challenge to attain high levels of performance.

#### **LBNL Strategic Management Initiatives Update**

An update was provided on the Initiative to obtain independent accreditation of the Laboratory's HR system. UC is proposing that three sites (LBNL, UCSF Medical Center, and UCSF Graduate School) participate in the initiative. This would spread the cost of program development to reduce cost to each organization. The goal of accreditation would be to establish "industry standards" that could be used to evaluate whether a comprehensive and effective HR system is in place. On an ancillary note, there was discussion of the need for better handling of situations that lead to potentially costly litigation issues. LBNL HR and legal representatives are focusing attention on jointly evaluating lessons-learned following any personnel/legal actions.

**Preparation for OMB Circular A-123**

Jeffrey Fernandez provided a briefing on the impacts of changes to OMB Circular A-123, which has been modified to incorporate the core principles of the Sarbanes-Oxley Act by establishing greater accountability and standards for control in federal government financial operations. (Briefing attached.) Anne Broome suggested that Jeffrey have a conversation with Melissa Allain, the new LLNL general counsel regarding A-123, because of her extensive experience with Sarbanes/Oxley compliance prior to joining LLNL. Anne also suggested that perhaps we could leverage the work that LLNL has already accomplished, including, perhaps, sharing the software they intend to use to enhance their financial control environment. Anne also commented that compliance could be very expensive, depending on how DOE chooses to implement the A-123 changes. It will be essential to know what DOE's expectations are of the contractor for implementation. LBNL should keep Anne and the Council informed so that the University is fully involved in the process and concurs in the decisions/process that LBNL will propose to the BSO for their concurrence. Since we expect receive guidance from DOE shortly, Jeffrey agreed to return for the December CAC meeting to report on the status of DOE guidance.

**LBNL Assurance Topics**

It was noted that President Dynes has recently issued the University's Statement of Ethical Values and Standards of Ethical Conduct. The Council encouraged LBNL to ensure that these important ethics statements are broadly distributed within the Laboratory.

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#### **AGENDA**

#### **LBNL CONTRACT ASSURANCE COUNCIL**

**Wednesday, November 9, 2005**

**10:30 a.m. - 11:30 a.m. PST**

**1111 Franklin Street, 9<sup>th</sup> Floor, Room 9204**

**Call in Number (866) 740-1260 Code: 9870914**

10:30	Introductory Remarks	Bob Foley
10:35	Preparation for OMB Circular A-123, Management Accountability and Control	Jeffrey Fernandez
10:55	Contract Performance Appraisal Self Assessment (Briefing attached)	Buck Koonce/Jim Krupnick
11:10	LBNL Strategic Management Initiatives and Improvements Update	Buck Koonce/Jim Krupnick
11:20	LBNL Assurance Topics	Council Members
11:25	Wrap up and next meeting	Bob Van Ness
11:30	Adjourn	
Council Members:		
VP Foley, Council Chair		AVP Van Ness
SVP Mullinix		AVP Birely
SVP Darling		AVP Boyette
General Counsel Holst		Deputy AVP Koonce
Vice Provost Coleman		
VP Broome		External Members:
Auditor Reed		Karen Clegg
Academic Senate Chair Brunk		John Layton